

ADDENDUM TO THE REPORT OF THE SUPERINTENDENT

15. **Accept Community Reinvestment Area Compensation Agreement with Charter Next Generation, Inc., A Delaware Corporation.**

Recommendation of Superintendent Gregory D. Nickoli that the Community Reinvestment Area Compensation Agreement with Charter Next Generation Inc., A Delaware Corporation; be approved per attached agreement.

COMMUNITY REINVESTMENT AREA COMPENSATION AGREEMENT

THIS AGREEMENT between the Village of Lexington, a Municipal Corporation with its offices at 44 West Main Street, Lexington, OH 44904 (the "Municipality"), Pioneer Career and Technology Center Joint Vocational School, with its principal offices at 27 Ryan Road Shelby, Ohio 44875 ("Pioneer"), and Charter Next Generation, Inc., a Delaware Corporation, with its principal offices at 230 Industrial Drive, Lexington, OH 44904 ("Charter Next"), specifies the manner and procedure to be used pursuant Ohio Revised Code (ORC) Section 5709.82 governing general compensation and income tax revenue sharing on new municipal income tax revenues relating to the Charter Next Generation, Inc. Community Reinvestment Area project.

WHEREAS, the Ohio Community Reinvestment Area Program, pursuant ORC Sections 3735.66 authorizes municipalities to grant real property tax exemptions on eligible new investments; and

WHEREAS, the Village of Lexington, by Ordinance No. 16-32 adopted _____ designated an area within the municipality as a Community Reinvestment Area;

WHEREAS, effective _____, the Director of the Ohio Development Services agency determined the area designated by the municipality within Ordinance No. 16-32 contains the characteristics set forth in Section 3735.66 of the ORC and certified the area as a Community Reinvestment Area;

WHEREAS, the municipality provided the Lexington Local Schools District Board of Education and the Pioneer Career and Technology Center Joint Vocation School notice of the project prior to formal consideration as required within ORC Section 3735.671 (A)(1) or 5709.83;

WHEREAS, the municipality has acted pursuant ORC Section 3735.65-.70 within Ordinance No. 16-32 adopted _____ to grant a tax exemption to Charter Next Generation, Inc. and entered into a formal Community Reinvestment Area Agreement on _____-; and

WHEREAS, the Village of Lexington and Pioneer pursuant to ORC Section 570-9.82 elect to enter into a Revenue Sharing/Compensation Agreement with Charter Next Generation, Inc. concerning the benefits related to the aforementioned project.

NOW, THEREFORE in consideration of the foregoing and of the mutual promises, covenants and agreements hereinafter set forth, the Municipality and Board of Education agree as follows:

SECTION 1. Definitions as used in this Agreement. The following shall have the meanings set forth below:

"Annual Payment Amount" shall mean the amount paid directly by Charter Next Generation, Inc. to Pioneer under Section 2 of this Agreement.

"Exemption Year" shall mean any calendar year in which the Project would be taxable but for the municipal authorization and finalization of a Community Reinvestment Area Agreement, Ohio Revised Code Sections 3735.67 (B) and (D).

“New Employee” shall include all employees who are first employed at the project site and who have not been subject to the Village of Lexington Municipal income tax within the previous two (2) years on income derived from employment from Charter Next Generation, Inc. prior to being employed at the project site. “New employee” does not include any person hired to replace a person who is not a “new employee.”

“Base Employment” shall be the number of employees located at the project site immediately prior to the finalization of the Community Reinvestment Area Agreement.

“Base Payroll” shall be the annualized salary of all employees located at the project site immediately prior to the finalization of the Community Reinvestment Area Agreement.

SECTION 2. Amount of Municipal Payments. During each exemption year in which Charter Next Generation, Inc. receives a real property tax benefit pursuant to the Community Reinvestment Area Agreement, executed by the Village of Lexington and Charter Next Generation, Inc. on _____, Charter Next Generation, Inc. shall pay an annual payment (“Annual Payment”) to Pioneer an amount equal to 2% of the total real property taxes that would have been paid to all entities with respect to the assessed value of the project but for the exemption. Such Annual Payment shall be made beginning with the first tax year in which property taxes would have been payable with respect to the project but for the exemption, and shall continue for the term of the exemption.

SECTION 3. Timing of the Payments. Charter Next Generation, Inc. shall make Annual Payments in the agreed upon amount no later than December 31st of each calendar year subsequent to an exemption year in which the business received a real property tax benefit.

SECTION 4. Amendments. This Agreement may be amended or modified by the parties, only in writing, signed by all parties to the Agreement or by applicable law changes. Should the State of Ohio significantly alter the manner in which funding is provided to local and joint vocational school districts, then all parties agree to reconsider the terms of this Agreement for possible amendment.

SECTION 5. Entire Agreement. This Agreement sets forth the entire Agreement and understanding between the parties as to the subject matter contained herein and merges and supersedes all prior discussions, agreements, and undertakings of every kind and nature between the parties with respect to the subject matter of this Agreement.

SECTION 6. Notices. All payments, certificates, reports and notices, which are required to or may be given pursuant to the provisions of this Agreement shall be sent by regular mail, postage prepaid, and shall be deemed to have been given or delivered when so mailed to the following addresses:

Municipality:	The Mayor Village of Lexington, 4 West Main Street, Lexington, OH 44904
Pioneer:	Treasurer Pioneer Career and Technology Center Joint Vocation School 27 Ryan Road Shelby, Ohio 44875
Business:	Member

Charter Next Generation, Inc., 230 Industrial Drive, Lexington, OH
44904

Any party may change its contact or address for receiving notices and reports by giving written notice of such change to the other parties.

SECTION 7. Severability of Provisions. The invalidity of any provision of this Agreement shall not affect the other provisions of this Agreement, and this Agreement shall be construed in all respects as if any invalid portions were omitted.

IN WITNESS WHEREOF, the Village of Lexington, Ohio, by Brian White, Mayor and Andy Smallstey, Administrative Director, and pursuant to Ordinance 16-32 has caused this instrument to be executed this ____ day of July 2021, Pioneer Career and Technology Center Joint Vocation School by _____, its Treasurer, has caused this instrument to be executed this ____ day of July, 2021, Charter Next Generation, Inc., by _____, its _____ has caused this instrument to be executed this ____ day of July, 2021.

VILLAGE OF LEXINGTON

By _____
Brian White, Mayor

By _____
Andy Smallstey, Administrative Director

PIONEER CAREER AND TECHNOLOGY
CENTER JOINT VOCATIONAL SCHOOL

By _____
_____, Treasurer

CHARTER NEXT GENERATION, INC.

By _____

APPROVED AS TO FORM:

John D. Studenmund, Law Director
Village of Lexington